

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Data Processing Internal Service Fund

Contents:

- 1.0 Summary
- 3.0 Programs
- 4.0 Additional Information

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1.0 Summary: Data Processing Internal Service Fund

The Department created an internal service fund (ISF) in 1986 so that each division could share the costs of acquiring expensive computer servers. Each division that uses data processing services pays its "fair share" of computer costs by the ISF. The Fund covers the personal services expenses, current expenses, depreciation expense, capital acquisitions, and the Division of Finance's overhead charge. Funds are pooled into one program that provides the necessary data processing for the divisions. This avoids unnecessary duplication of expenses.

In the 1988 session, the Legislature passed H.B. 81, which provides budgetary controls over ISFs. The law does not allow an ISF to bill another line item unless the Legislature has:

- Reviewed and approved the ISF's budget request;
- Reviewed and approved the ISF's rates, fees, and other charges and included those rates, fees and charges in an appropriations act;
- Approved the number of employees;
- Appropriated the estimated revenue based on the rates and fee structure.
- Separately reviewed and approved the capital needs and related capital budget.

No new ISF agency may be established unless reviewed and approved by the Legislature.

Sometimes Internal Service Funds cause concerns if an agency receives federal funds. Federal funds are usually required to be spent for strict purposes. Federal auditors often audit Internal Service Funds very carefully to ensure propriety of expenditures.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing by Revenue Source			
Dedicated Credits - Intragvt Rev	280,000		280,000
Total	<u>\$280,000</u>	<u>\$0</u>	<u>\$280,000</u>
Expenditures by Program			
ISF - Agri Data Processing	250,400		250,400
Total	<u>\$250,400</u>	<u>\$0</u>	<u>\$250,400</u>
Profit/(Loss)	<u>\$29,600</u>	<u>\$0</u>	<u>\$29,600</u>
FTE/Other			
Total FTE	3.0	0.0	3.0
Authorized Capital Outlay	\$25,000	\$0	\$25,000
Retained Earnings	\$79,700	\$0	\$79,700

3.0 Programs: Data Processing Internal Service Fund

3.1 Data Processing Internal Service Fund

Recommendation

The Analyst recommends:

- Approved revenues of **\$280,000**
- Approved operating expenses of **\$250,400**
- Net Operating Income of **\$29,600**
- The rate and fee schedule shown below
- **3 FTEs**
- Approved capital purchases in the amount of **\$25,000** with a five-year depreciation schedule

	2003	2004	2005	Est/Analyst
Financing	Actual	Estimated*	Analyst	Difference
Dedicated Credits - Intragvt Rev	260,700	280,000	280,000	
Total	\$260,700	\$280,000	\$280,000	\$0
Expenditures				
Personal Services	161,200	186,500	186,000	(500)
Current Expense	4,600	5,000	5,000	
DP Current Expense	42,100	55,000	50,000	(5,000)
Other Charges/Pass Thru	1,800			
Depreciation	19,200	10,400	9,400	(1,000)
Total	\$228,900	\$256,900	\$250,400	(\$6,500)
Profit/(Loss)	\$31,800	\$23,100	\$29,600	\$6,500
FTE/Other				
Total FTE	3.0	3.0	3.0	0.0
Authorized Capital Outlay	\$0	\$22,000	\$25,000	\$3,000
Retained Earnings	\$27,000	\$50,100	\$79,700	\$29,600

*Non-state funds as estimated by agency

Rate Schedule

	FY 2004	FY 2005
	Current	Proposed
Programmer, per hour	\$50.00	\$50.00
Programmer, per hour overtime	75.00	75.00
LAN: Port charges per year/per port (connection)	2,900.00	2,621.00
Port charges per year/per PC	500.00	500.00
Technical assistance/consultation, per hour	50.00	50.00
Installation	Negotiable	Negotiable
Portable PC daily rental	15.00	15.00
GIS rate, per hour	50.00	50.00
GIS rate, per hour overtime	75.00	75.00
GIS rate per 8.5 x 11 sheet	1.00	1.00
GIS rate per linear foot (large format map)	1.50	1.50

Revenue by Agency	<u>Line Item</u>	
	Administration	\$274,800
	Resource Conservation	<u>5,200</u>
	Total	<u>\$280,000</u>

Capital Expenditures	Computer/Software Upgrades (if needed)	<u>\$25,000</u>
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Purpose Provides consolidated computer services to all divisions and programs in the Department.

4.0 Additional Information: Data Processing Internal Service Fund

4.1 Funding History

Financing by Revenue Source	2001 Actual	2002 Actual	2003 Actual	2004 Estimated*	2005 Analyst
Dedicated Credits - Intragvt Rev	282,500	272,200	260,700	280,000	280,000
Total	\$282,500	\$272,200	\$260,700	\$280,000	\$280,000
Financing by Program					
ISF - Agri Data Processing	282,500	272,200	260,700	280,000	280,000
Total	\$282,500	\$272,200	\$260,700	\$280,000	\$280,000
Expenditures					
Personal Services	166,800	166,400	161,200	186,500	186,000
Current Expense	5,600	4,600	4,600	5,000	5,000
DP Current Expense	80,500	71,800	42,100	55,000	50,000
Other Charges/Pass Thru	1,900	2,100	1,800		
Depreciation	19,300	19,200	19,200	10,400	9,400
Total	\$274,100	\$264,100	\$228,900	\$256,900	\$250,400
Profit/(Loss)	\$8,400	\$8,100	\$31,800	\$23,100	\$29,600
FTE/Other					
Total FTE	3.0	3.0	3.0	3.0	3.0
Authorized Capital Outlay				22,000	25,000
Retained Earnings	(10,300)	(4,800)	27,000	50,100	79,700

*Non-state funds as estimated by agency.